
By: **Delegate Donoghue**

Introduced and read first time: February 6, 2003

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Aging - Continuing Care Retirement Communities -**
3 **Regulation**

4 FOR the purpose of limiting the definition of a governing body of a continuing care
5 provider to certain providers; expanding the time period in which the
6 Department of Aging may consider certain agreements entered into by certain
7 continuing care providers when determining whether a certain sales
8 requirement has been met; providing that if certain continuing care providers
9 demonstrate by a certain date that certain development and investment has
10 been completed for expanding a continuing care facility, the remaining portion of
11 the project may not be considered new development; and generally relating to
12 continuing care retirement communities.

13 BY repealing and reenacting, with amendments,
14 Article 70B - Department of Aging
15 Section 7(p)
16 Annotated Code of Maryland
17 (1998 Replacement Volume and 2002 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article 70B - Department of Aging
20 Section 7(a) and 11A(a), (b), and (c)
21 Annotated Code of Maryland
22 (1998 Replacement Volume and 2002 Supplement)

23 BY repealing and reenacting, with amendments,
24 Chapter 150 of the Acts of the General Assembly of 2002
25 Section 2

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
27 MARYLAND, That the Laws of Maryland read as follows:

1 **Article 70B - Department of Aging**

2 7.

3 (a) In this subtitle the following words have the meanings indicated.

4 (p) "Governing body" means a board of directors, board of trustees, or similar
5 group that ultimately directs the affairs of a provider THAT HAS ALL OF ITS
6 FACILITIES LOCATED WITHIN MARYLAND, but whose members are not required to
7 have an equity interest in the provider.

8 11A.

9 (a) At least annually, each provider shall conduct a meeting, open to all of the
10 provider's subscribers, at which an authorized officer of the provider shall present a
11 summary of the provider's operations, significant changes from the previous year, and
12 the goals and objectives for the next year. The provider shall make provisions to have
13 an authorized officer receive and answer questions from subscribers at the meeting.

14 (b) (1) A provider that has a governing body shall include at least one of the
15 provider's subscribers as a full and regular member of the governing body.

16 (2) If a provider that has a governing body owns or operates more than
17 three facilities in the State, there shall be at least one of the provider's subscribers as
18 a full and regular member of the governing body for every three facilities in the State.

19 (3) (i) Subject to the provisions of subparagraph (ii) of this paragraph,
20 a governing body member selected to meet the requirements of this subsection shall
21 be a subscriber at a facility in the State and be selected according to the same general
22 written standards and criteria used to select other members of the governing body.

23 (ii) The governing body shall confer with the resident association at
24 each facility of the provider before the subscriber officially joins the governing body.

25 (c) A provider that does not have a governing body shall appoint a select
26 committee of its officers or partners to meet at least twice annually with the resident
27 association at each of its facilities to address concerns of the subscribers and to ensure
28 that the opinions of subscribers are relayed to all officers or partners of the provider.
29 If a facility does not have a resident association, the committee shall meet with a
30 reasonable number of representatives, not required to exceed fifteen, elected by the
31 subscribers.

32 **Chapter 150 of the Acts of 2002**

33 SECTION 2. AND BE IT FURTHER ENACTED, That:

34 (a) (1) If a person's existing operations become subject to the Continuing
35 Care Contracts subtitle of Article 70B of the Annotated Code of Maryland on October
36 1, 2002 when this Act becomes effective, the person shall have until:

1 (i) January 1, 2003 to submit a feasibility study to the Department
2 of Aging that satisfies the requirement of § 10 of Article 70B of the Annotated Code of
3 Maryland;

4 (ii) 2 months after the feasibility study is approved by the
5 Department of Aging, to submit an application for a preliminary certificate that
6 satisfies the requirements of § 10 of Article 70B of the Annotated Code of Maryland;
7 and

8 (iii) 2 months after the Department of Aging issues a preliminary
9 certificate to submit an application for an initial certificate that satisfies the
10 requirements of § 11 of Article 70B of the Annotated Code of Maryland.

11 (2) The Secretary of Aging for good cause may extend the time
12 requirements of this subsection.

13 (b) When determining whether a continuing care provider, whose existing
14 operations become subject to the Continuing Care Contracts subtitle of Article 70B of
15 the Annotated Code of Maryland as a result of the Act has met the 65% presales
16 requirement of Article 70B, § 11(a)(1) of the Annotated Code of Maryland, the
17 Department of Aging may count the agreements the person entered into before
18 October 1, 2002 AND UP UNTIL THE TIME THE DEPARTMENT OF AGING ISSUES A
19 PRELIMINARY CERTIFICATE TO THE PERSON, even if the agreements were not
20 approved in advance by the Department for use as a continuing care agreement.

21 SECTION 2. AND BE IT FURTHER ENACTED, That if a continuing care
22 provider, whose existing operations become subject to the Continuing Care Contracts
23 subtitle of Article 70B of the Annotated Code of Maryland as a result of Chapter 150
24 of the Acts of the General Assembly of 2002, demonstrates that, as of October 1, 2002,
25 the provider had already completed the site acquisition, site development, and
26 infrastructure investment intended to support a project that will expand the number
27 of independent living and assisted living units at the provider's facility, any
28 remaining portion of that project may not be considered new development as
29 described in § 9(a) of Article 70B of the Annotated Code of Maryland, regardless of
30 whether the number of independent and assisted living units to be constructed in the
31 project exceeds 25% of the total number of existing units. For purposes of review and
32 approval by the Department of Aging, the standards applied to that project shall be
33 limited to those that are used to approve an expansion as described in § 11(j) of Article
34 70B of the Annotated Code of Maryland.

35 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 October 1, 2003.